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MANAGERIAL VALUES IN PERSPECTIVE

Warren H. Schmidt
Barry Z. Posner

An AMA Survey Report

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This study was deeply satisfying for us, largely because of the superb professional support of our AMA colleagues who managed so skillfully the myriad details involved in a national survey of this kind. We are particularly indebted to Don Bohl, who took a personal interest in this project and kept it on course through all its phases. His associates, Helen Aker and Julie Bohl, classified and coded our open-ended questions with great sensitivity and care.

HIGHLIGHTS and CONCLUSIONS

Many American organizations may be overlooking one of the most important keys to greater effectiveness: a close link between personal and organizational values. Survey data from 1,460 managers and chief executives suggest that an understanding of this relationship may provide new perspectives on both corporate and individual vitality. At the same time, however, the survey results point toward value conflicts that may be breeding considerable cynicism among the lower ranks of managers.

There's no question, of course, that a manager's personal sense of what is important strongly influences his or her commitment, motivation, and pursuit of lifetime goals. Organizations, too, have values. As several commentators on corporate culture have pointed out recently, virtually all of America's best-managed organizations have one trait in common. They are unmistakeably clear on what they stand for—leadership in the industry, for example, or innovation, or social responsibility.

Indeed, it makes sense that a manager's ability to identify with corporate values such as these will translate into increased effectiveness. What is equally clear, however, is that many companies have not been able to build this sense of shared values. Consider, for example, that well over 90 percent of the chief executives surveyed agreed with the statement, "My organization is guided by highly ethical standards." But many of the younger respondents and those in supervisory positions just don't see it that way. Over 30 percent of the respondents under age 40, for example, indicated that they had been pressured to compromise personal standards to meet company demands.

Moreover, the majority of these younger respondents fall into the category of "low sharers"—individuals who cannot identify personally with what their organizations stand for. These individuals reveal lower levels of company loyalty and, interestingly, higher incidences of stress spilling over into their home lives.

Virtually every dimension of the survey results underscores a need for increased dialogue about "what is really important around here"—to the individual and to the organization. Consider these representative findings.

- Managers who feel strongly that they hold the same values as their organizations differ from other respondents in surprising and important ways. Value compatibility goes hand in hand with greater confidence in fulfilling lifetime ambitions, less stress spilling over into home life, and significantly different views of the importance of key organization stakeholders.
- Over all, 80 percent of the respondents agreed with the statement, "I believe that my organization is guided by highly

ethical standards." But the consensus is far from firm. The strongest vote of confidence in the organization's ethical stand came from those in top management, with younger respondents and those of lower rank providing answers that imply more cynical views. Moreover, top executives seem to believe (perhaps somewhat naively) that everyone in the organization has the same perception of and concern with ethics as they do. Again, those in the lower ranks don't see it this way. As a group, the supervisors view themselves as having greater concern with ethical standards than others in the organization.

- What—or who—has the greatest influence on ethical or unethical conduct? "The boss," say respondents from all age groups and management levels. What about the presence (or absence) of a formal corporate code of ethics? Respondents ranked this as least influential among the six factors given. This portion of the survey, a replication of similar efforts conducted by the *Harvard Business Review* a decade ago, suggests that managers may have changed their minds about how effective these codes actually are.
- Female managers reveal dramatically stronger career orientations than their male counterparts. The women in a carefully matched sample of respondents are far more likely to say that career, rather than home, provides the greatest satisfaction in life. Moreover, the women tend to see ability as their most valuable asset, whereas the men tend to rate achievement (by implication, perhaps, their track records) as more important. In many other ways, the women reveal value profiles that are strikingly similar to the men.
- American executives display a dramatically stronger career orientation than do their European counterparts, comparisons between this survey and similar efforts conducted three years ago by *International Management* reveal. Fifty percent of the Americans surveyed, for example, indicated that their careers provided the greatest source of satisfaction in life, compared with only 33 percent of the Europeans.
- Most American managers see performance and contribution as the keys to self-fulfillment. Survey participants were asked to complete a sentence beginning, "I believe that my personal sense of accomplishment and fulfillment will depend on how well I . . ." Analysis revealed six groups of respondents: the Producers, the Self-Satisfiers, the Relaters, the Reachers, the Adapters, and the Survivors. The largest group, the Producers (40 percent), emphasized active personal contributions to important institutions: the company, the church, and so on.

Furthermore, respondents were asked to react to two scenarios, one involving a valuable employee who was reportedly padding his expense account, the other dealing with the potential "piracy" of a key technical employee from a rival company. Participants indicated what factors they would consider before taking action. Although no clear consensus emerges, the data provide important insights into how managers approach ethical decisions. Incidentally, the greatest numbers of respondents made the individual's motivation a top-priority concern in both cases. "Why is this person padding his expense account?", they wanted to know. "What is motivating the technical employee and his apparent disloyalty to his current employer?"

WHAT'S REALLY IMPORTANT AROUND HERE

Our values comprise the things that are most important to us. They are the deep-seated, pervasive standards that influence almost every aspect of our lives: our moral judgments, our responses to others, our commitments to personal and organizational goals. Designed to bring the values of American managers into sharper focus, the survey questionnaire asked participants to respond to over 50 questions, many

with multiple parts, on home/work conflicts, ethical concerns, sources of greatest satisfaction, and the like. Respondents rated the importance to themselves, personally, of various organizational stakeholders and company goals. They indicated which traits they admired most in colleagues, bosses, and subordinates. Finally, respondents completed a number of open-ended questions dealing with personal fulfillment and events that had influenced their development of values.

Insights into American worklife emerging from the data proved to be more extensive than could be discussed in a single report. The first volume of analysis, *Managerial Values and Expectations: The Silent Power in Personal and Organizational Life* (published late in 1982), argued for a second look at many of our stereotypical notions about the American manager. By no means, for example, is the profit motive the driving force behind managerial action, as some outside the business community might think. Nor is ambition number one on most managers' list of "most admired qualities." In fact, it ranks well below responsibility, honesty, and imagination.

At the same time, this prior analysis revealed that most respondents see a resurgence of basic values—commitment, responsibility, integrity, and the like— as the most important key to a better future. Asked to pick from among six options for improving the quality of life, over 60 percent chose "a return to basic values." Another 19 percent stressed the need to develop more cooperative values. In spite of the current interest in new technology, only 7 percent saw this as the cornerstone for building a better future.

This report builds on these and other findings by looking at how values relate to other dimensions of worklife: the fulfillment of lifetime ambitions, working relationships between male and female managers, differences between European and American executives, and perceptions of ethical standards. The Appendix presents a complete breakdown of respondent demographics.

1

VALUES: THE CRITICAL LINK BETWEEN MANAGER AND ORGANIZATION

Values are the bedrock of any corporate culture. As the essence of a company's philosophy for achieving success, values provide a sense of common direction for all employees and guidelines for their day-to-day behavior.

—Julien Phillips

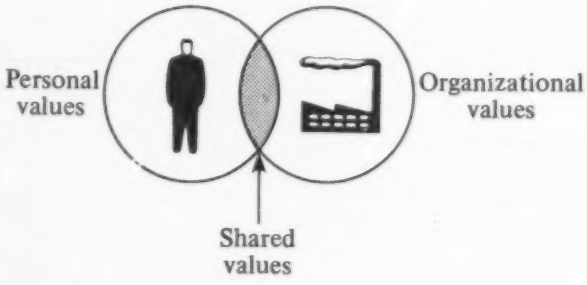
If employees know what their company stands for, if they know what standards they are to uphold, then they are much more likely to make decisions that will support those standards. They are also more likely to feel as if they are an important part of the organization. They are motivated because life in the company has meaning for them.

—Terrence E. Deal and Allan A. Kennedy
Corporate Cultures

Values make a profound difference in the life of an individual and in the history of an organization. They determine how whole-heartedly we make commitments, how faithfully we work, and how gratified we feel about what we accomplish.

Our study of nearly 1,500 executives and managers provides solid evidence that *shared values between the individual and the company are a major source of both personal and organizational effectiveness*. When managers' values are compatible or congruent with the values of their companies, their personal lives are in better shape and their approach to their jobs is healthier.

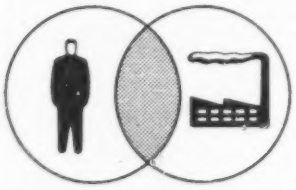
We might depict the situation like this:



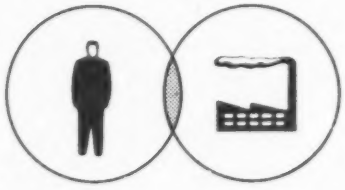
To discover how important the link between personal and organizational values might be, we developed a Shared Values Scale based on participants' responses to two significantly correlated statements in our survey: (1) "My personal values are generally compatible with the values of my organization" and (2) "I find that sometimes I must compromise my personal principles to conform to my organization's expectations."

Responses to these two statements (on a 7-point scale of agreement-disagreement) enabled us to form three groups for comparison:

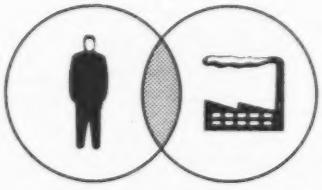
- HIGH-SHARERS—managers whose values were most congruent with the values of their organizations (strong agreement with the first statement; strong disagreement with the second).



- MODERATE-SHARERS—managers whose values are somewhat, but not fully, congruent with the values of their organizations (moderate agreement with the first statement; moderate disagreement with the second).



- LOW-SHARERS—managers whose values are least congruent with the values of their organizations (disagreement with the first statement; agreement with the second).



When these three groups were compared, we found that *shared values between managers and their organizations result in:*

- Greater feelings of personal success.
- Stronger feelings of organizational commitment and loyalty.
- Clearer perspectives on ethical dilemmas.
- Lower levels of work/home stress.
- Better understanding of others' values.
- Greater commitment to organizational goals.
- Higher regard in general for other organizational stakeholders.
- Different perceptions of important personal qualities.

SHARED VALUES AND FEELINGS OF PERSONAL SUCCESS

Managers whose values are most congruent with the values of their organizations report significantly greater feelings of success in their lives. These High-Sharers are also more likely to feel that they will fulfill—or have already reached—their life's ambition. Low-Sharers are twice as likely to be pessimistic about fulfilling their ambitions.

SHARED VALUES AND ORGANIZATIONAL COMMITMENT

As might be expected, Low-Sharers are less certain that they will be working for their present organization three years from now. The tendency to be a High-Sharer also increases as one moves up the hierarchy of the organization. No surprises here!

SHARED VALUES AND ETHICAL BEHAVIOR

High-Sharers are more likely to resign than carry out some action they feel is unethical. They are

(as might be expected) much more certain than Low-Sharers that their organizations are guided by highly ethical standards. Low-Sharers are also much more likely to attribute unethical behavior to organizational policies. To the question, "Would you turn down a promotion if you had serious doubts about your ability to handle it?" High-Sharers are more likely to say "yes" than are Low-Sharers–reflecting, probably, their higher concern for the organization's well-being.

High-Sharers are also more likely to consider themselves to be "religious persons" and to be active in an organized religious group. They are more likely to view their colleagues as being concerned about ethics, whereas Low-Sharers are more likely to be cynical about the ethical concerns of their peers, subordinates, and superiors.

SHARED VALUES AND FEELINGS OF STRESS

Apparently, the cost of value incompatibility is high–to both the individual and the organization. Low-Sharers feel that the demands of the job cause much of the stress in their personal (home) lives. They are also more likely to feel that "anxiety about my job frequently spills over into my home (personal) life." High-Sharers do not feel this way. Low-Sharers also feel that the job prevents them from spending as much time with their families and friends as they would like.

When asked what gives them the greatest satisfaction in life, High-Sharers are more likely to respond "career" rather than "home life" or "other interests." Low-Sharers checked "other interests" twice as often as High-Sharers.

SHARED VALUES AND ORGANIZATIONAL GOALS

High-Sharers view the goals of the organization as being of greater importance than do the Low-Sharers. They particularly give higher value to *effectiveness, productivity, reputation, morale, profit maximization,* and *stability*. There are, however, no significant differences between High- and Low-Sharers in evaluating the importance of the organization's *efficiency, leadership, growth, value to the community,* or *service to the public.*

SHARED VALUES AND ORGANIZATIONAL STAKEHOLDERS

Managers who share the same values as their organization also seem to hold different views of various individuals and groups who have a stake in the organization's activities. For example, High-Sharers consider stockholders, owners, and customers as being more important than do Low-Sharers. Low-Sharers view bosses and managers as less important. Generally, the sharing of organizational values is accompanied by a greater importance attached to internal stakeholders (for example, employees, technicians, craftsmen, colleagues, subordinates, and professionals).

However, both High- and Low-Sharers hold comparable views of "myself," public officials, government bureaucrats, and the general public. Respondents in both groups ranked "myself" as the most important organizational stakeholder and assigned relatively low importance to these other groups.

SHARED VALUES AND PERSONAL CHARACTERISTICS

The congruence between personal and organizational values seems to be heavily influenced by the manager's stage in life and his or her place in the organization. Older managers and those in more senior positions are more likely to be High-Sharers. This suggests that the acquisition of shared values may be a developmental process. It is worth noting that such factors as respondents' gender, educational level, or functional field do

not seem to influence the value sharing process. Nor do organizational size or location. Regardless of the extent to which managers share their organizations' values, they are in remarkable agreement on what they value in their colleagues: *honesty, responsibility, competence, imagination, and rationality.*

SOME REFLECTIONS AND IMPLICATIONS

These findings seem strikingly consistent with other recent observations:

- In their book, *In Search of Excellence: Lessons from America's Best-Run Companies,* Thomas J. Peters and Robert H. Waterman, Jr., report that "Every excellent company we studied is clear on what it stands for, and takes the process of value shaping seriously. In fact, we wonder whether it is possible to be an excellent company without clarity on values and without having the right sorts of values." They also note that in these 63 top companies with clear norms "You either buy into their norms or get out. There's no halfway house for most people in the excellent companies."
- Yankelovich, Skelly and White, Inc., in their regular survey of the American workforce, note that one of the important "new values" groups consists of "Fulfillment-Seekers"—bright, educated, and introspective men and women who choose where to work on the basis of an organization's ability to provide significant, creative, and satisfying work. They currently constitute about 16 percent of the workforce—but their numbers are growing.

We are impressed with the attention that a growing number of managers, scholars, and writers are giving to the importance of organizational values and cultures in building a strong, creative, and productive workforce. An increasing number of executives are discovering that one of their key responsibilities is the management of meaning—that they give powerful direction through the heroes they applaud, the mission statements they issue, and the organizational accomplishments they celebrate. (The general manager of a major fast-food chain, for example, recently modified his company's mission statement to emphasize product and service quality rather than financial return to investors, as a way of clarifying the values he wants his colleagues to espouse.)

In our previous publication from this AMA study, *Managerial Values and Expectations,* we reported that managers at all levels seem to place the highest value on *integrity* and *competence* in their superiors, peers, and subordinates. In a similar way, it seems that American managers thrive in companies that stand for values they can embrace in their personal lives. Excellent companies have clear values that make sense to their employees—and they reinforce these values with everything they do. The companies, then, are seen as having integrity, as well as excelling in their fields—two qualities that attract high respect and commitment.

Both what we learned from the respondents to this AMA survey and our reading of recent organizational literature has convinced us that more attention should be given to the power of values and organizational culture in attracting and inspiring American executives, managers, and workers. These subtle dimensions or organizational life can make a profound difference in the health of both the employee and the company.

2

MALE AND FEMALE MANAGERS: SOME UNEXPECTED DIFFERENCES

Managers themselves and their subordinates concur. It seems that the disproportionately low numbers of women in management can no longer be explained away by the contention that women practice a different brand of management from that practiced by men.

—Susan Donnell and Jay Hall

What impact will the growing number of female managers have on the values and practices of American companies? Are they bringing a different set of priorities to the workplace? These are important questions in view of the following:

- During the past ten years the number of female managers has increased 96 percent; male managers increased 14 percent during the same period.
- In 1980 women made up almost 42 percent of the workforce in the United States.
- The number of women enrolled in M.B.A. programs throughout the country has increased threefold during the past ten years—and continues to rise.

Will this growing number of female executives and managers make a difference in organizational priorities and practices—or do managers tend to have similar views, regardless of their gender?

To get some clues for answering this question, we matched 130 of the women in our survey with 130 men on the basis of age, education, salary, and managerial level. The results challenge some widely held stereotypes of "the woman boss." In many respects she is very similar to her male colleagues—and in some unexpected ways she differs dramatically.

Our survey provides some insights for answering these questions about the female manager:

1. What factors does she regard as important for an organization's success?
2. How important are different groups of people to her?
3. What personal qualities does she value most?
4. How does she balance priorities between her career and her family/home life?
5. Which are the major areas of value similarities and differences between male and female managers?

KEY FACTORS IN AN ORGANIZATION'S SUCCESS

Both men and woman regard *effectiveness* as the top goal of an organization and *profit maxi-*

mization as the least important of 11 possible objectives. Female managers, however, rank *good organization leadership* and *organizational stability* much higher than do their male colleagues. On other factors the views of men and women are fairly consistent. See Exhibit 2.1.

PEOPLE WHO ARE IMPORTANT

The women in our sample view *managers, employees, co-workers, bosses,* and *colleagues* as being more important than do our male managers. Men, on the other hand, considered *customers* and *owners* as being more important. Both groups rank "myself" as most important and "government bureaucrats" as least important. See Exhibit 2.2.

MOST VALUED PERSONAL TRAITS

Women managers placed a high value on *ability, ambition, skill, cooperation,* and *flexibility.* They considered *ability* to be most important, whereas male managers ranked *achievement* first. Both ranked *competitiveness* at the bottom of the list! See Exhibit 2.3.

CAREER VERSUS FAMILY/HOME LIFE

Several items dealing with the relative importance of careers and home or family life indicate that *female managers are more career-oriented than male managers* (see Exhibit 2.4). This contradicts the traditional belief that the role of men is at work and the role of women is at home, a notion that clearly does not hold true for the women managers in our sample! Perhaps the women have had to overcome more barriers—internal and external—to achieve the same managerial status as men of comparable age and education. This may well require a higher degree of career orientation. We were intrigued with these findings from our paired sample of men and women:

Exhibit 2.1. Importance of various organizational goals. (Higher score on 7-point scale indicates greater importance.)

	Female Managers	*Male Managers*
Effectiveness	6.25	6.22
Good organizational leadership*	6.18	5.87
High morale	6.12	5.95
Efficiency*	6.07	5.90
High productivity*	6.06	5.90
Organization's reputation	6.04	6.08
Organizational stability*	5.34	4.86
Service to the public	5.34	5.06
Organization's value to the community	5.24	4.85
Organizational growth	5.11	4.93
Profit maximization	4.93	4.81

*Differences between female and male managers statistically significant at $< .05$ level or greater.

Exhibit 2.2. Perceived importance of various people. (Higher score on 7-point scale indicates greater importance.)

	Female Managers	*Male Managers*
Myself	6.55	6.43
Employees*	6.20	5.86
My subordinates	6.17	6.12
My boss(es)*	6.08	5.57
Co-workers*	5.94	5.64
Customers*	5.88	6.28
My colleagues*	5.87	5.58
Managers*	5.69	5.17
White collar employees	5.31	5.14
Technical employees	5.19	5.47
The general public	4.58	4.66
Craftsmen	4.33	4.84
Owners*	4.29	4.87
Elected public officials	3.95	3.86
Stockholders	3.49	3.68
Government bureaucrats	3.52	2.86

*Differences between female and male managers statistically significant at $< .05$ level or greater.

- Women are more likely to give up a home function that conflicts with a job-related function.
- Women are *less* willing to turn down a promotion that will require a change in their lifestyles.
- Women are less likely to turn down a promotion if they doubt their ability to handle it.
- Women get significantly more satisfaction from their careers than from their family/home lives.

Exhibit 2.3. Admired personal qualities. (Higher score on 7-point scale indicates greater importance.)

	Female Managers	*Male Managers*
Ability*	6.43	6.03
Job satisfaction	6.28	6.07
Achievement	6.24	6.15
Flexibility*	6.12	5.75
Cooperation*	6.08	5.80
Skill*	5.99	5.61
Success	5.95	5.75
Creativity	5.84	5.85
Ambition*	5.62	5.25
Competitiveness	4.82	4.97

*Differences between male and female managers statistically significant at $< .05$ level or greater.

Exhibit 2.4. Emphasis placed on career versus family/home life.

	Female Managers		*Male Managers*	
	Yes or Probably	*No or Probably Not*	*Yes or Probably*	*No or Probably Not*
A. Would you . . .				
Give up attending an important function at home if it conflicted with an important job-related function?	62%	17%	56%	34%
Move your family to a new location for a higher paying and/or more responsible job?	59	22.5	48	23
Turn down a promotion on a new job if you felt it would significantly change your present lifestyle?	34	45	47	31
Turn down a promotion if you had serious doubts about your ability to handle it?	49	33	60	33
Resign if your boss insisted that you carry out some action that you strongly felt was unethical?	82	8	81	9
B. What gives you the most satisfaction in life?				
Home life	28%		47%	
Career	60		37	
Other interests	12		16	

OTHER VALUE COMPARISONS BETWEEN WOMEN AND MEN

Female managers see their values as being more compatible with the values of the organization than do male managers. One result might be their greater willingness to work longer hours than their male colleagues and at the same time, to report less job anxiety spilling over into their home and personal lives.

Interestingly, men are more likely to regard themselves as religious and to be active members of a religious organization. Men are also more likely than women to believe that their superiors and peers (but not subordinates) are less concerned about ethics than they are themselves. See Exhibit 2.5.

The "bottom line" seems to be that our stereotypes about women in the workplace—particularly women managers—no longer hold up and deserve careful re-examination.

Exhibit 2.5. Agreement with value-oriented statements. (Higher score on 7-point scale indicates greater agreement.)

	Female Managers	*Male Managers*
Anxiety about my job frequently spills over into my home (personal) life	3.63	4.36
My job prevents me from spending the time with my family (or friends) that I would like to spend.	3.87	3.74
I am less willing to work long hours now than I was a few years ago.*	4.03	1.60
I am clearer about my personal values now than I was five years ago.	5.84	6.17
My personal values are generally compatible with the values of my organization.*	5.24	4.88
I find that sometimes I must compromise my personal principles to conform to my organization's expectations.	3.20	3.48
My superiors seem to be less concerned about ethics than I am.*	3.30	4.02
My peers seem to be less concerned about ethics than I am.*	3.22	3.88
My subordinates seem to be less concerned about ethics than I am.	3.30	3.49
I consider myself to be a religious person.*	4.05	4.87
I am an active member of an organized religious group.*	3.15	4.72

*Differences between male and female managers statistically significant at $< .05$ level or greater.

3

VALUES OF AMERICAN AND EUROPEAN MANAGERS: A COMPARISON

With changing lifestyles and an increasing emphasis on family and recreational pursuits, [the executive] *is more than ever a person in the middle, torn between the often conflicting demands of job and home.*

—*International Management* survey of European executives

American managers who deal with foreign managers quickly learn the importance of understanding the values and priorities of their foreign colleagues. The absence of such understanding can create unexpected and complex problems that range from frustration to disaster. Trust—a key element in most business transactions—is fostered by understanding and appreciating differing value systems and lifestyles.

As we were developing our questionnaire, we were fortunate to come across a study of Western European executives in *International Management* titled "The Changing Life Values of Today's Executives." This 1980 survey of 930 executives in ten countries provided an opportunity to look at American managers' personal and professional choices from another perspective—and also to pass along useful information for those who deal with European colleagues. We were particularly interested in comparing the two groups with respect to these dimensions:

1. Expectations about fulfilling lifetime ambitions.
2. Sources of greatest personal satisfaction.
3. Willingness to relocate for a better job.
4. View of home/work conflict.

To make the comparisons valid, we modeled a number of our questions after those posed by the *International Management* survey. On virtually every question, comparisons revealed dramatic differences between the two groups. These are the results. . . .

ON FULFILLING LIFE'S AMBITION

American managers are substantially more optimistic about their ability to achieve lifetime goals. At the same time, however, the Europeans reveal a greater tendency to see themselves as having "already arrived" at these goals. This interesting anomoly suggests that different perceptions and standards may be at work.

More specifically, 65 percent of the Americans surveyed indicated that they would achieve their life's ambition, compared with 45 percent of the Europeans. Moreover, a significant number of Europeans seem to have given up.

Nearly two in every seven (28.6 percent) felt that they would never achieve their life's ambition, compared with only 20 percent of the Americans (see Exhibit 3.1).

In spite of these lower levels of optimism, greater numbers of the European respondents indicated that they had already attained their lifetime goals: 23 percent compared with 14 percent of the Americans. One might explain this peculiar distribution by speculating that the Europeans have lower levels of aspiration. The Americans are "reaching higher" and consequently taking longer to fulfill their ambitions. The *International Management* survey reveals, for example, that over 50 percent of the Europeans surveyed indicated they had little interest in becoming chief executive officers. At the same time, the Europeans may be defining "life's ambition" in different terms. Consider how participants responded to the questions dealing with lifestyle, work/home conflicts, sources of greatest satisfaction, and willingness to relocate in order to accept a better job.

ON SOURCES OF PERSONAL SATISFACTION

When asked to pinpoint what gave them the most satisfaction in their lives, half of the European executives (49 percent) picked their home life, one-third cited their careers, and 14 percent selected other interests (see Exhibit 3.2). The strongest career orientations were

Exhibit 3.1. "Do you feel you will ever fulfill your life's ambition?"*

	Total	*United Kingdom*	*Denmark*	*Switzerland*	*France*	*Germany*	*Sweden*	*Italy*	*Belgium*	*Spain*	*Netherlands*
Yes	45.5%	40.8	46.9	50.9	45.3	41.3	44.6	47.8	45.7	47.3	42.9
No	28.6%	39.2	15.6	23.1	33.7	26.3	31.7	24.6	34.0	36.6	21.4
Already have	23.2%	15.0	34.4	25.0	20.9	32.5	18.8	23.2	17.0	14.0	31.0

United States

	Total	*Supervisory*	*Middle*	*Executive*
Yes	65.4%	71.4	65.1	64.5
No	20.5%	22.4	24.6	18.2
Already have	14.1%	6.1	10.4	17.2

*Data for the European managers reprinted with special permission from *International Management*. © 1980, McGraw-Hill Publications Company. All rights reserved.

Exhibit 3.2. "What gives you the most satisfaction in life?"

	Total	*United Kingdom*	*Den-mark*	*Switzer-land*	*France*	*Ger-many*	*Sweden*	*Italy*	*Bel-gium*	*Spain*	*Nether-lands*
Home life	49.0%	50.0	44.8	51.9	55.8	45.0	47.5	52.2	48.9	57.0	36.9
Outside interest	14.0%	13.3	9.4	10.2	15.1	7.5	8.9	21.7	18.1	16.1	20.2
Career	32.8%	35.9	39.6	32.4	26.7	42.5	36.6	21.7	33.0	24.7	35.7

United States

	Total	*Supervisory*	*Middle*	*Executive*
Home life	40.1%	36.8	46.1	37.8
Outside interest	9.8%	17.4	11.3	7.9
Career	50.1%	45.8	42.6	54.3

reported by the Germans and Danes, while the Spanish, Italian, Swiss, and British responded most strongly in favor of their home life.

A remarkably different picture emerges from the American respondents. Over all, 50 percent felt that their careers provided them with their greatest satisfaction, although a substantial number (like their European counterparts) chose their home lives. Among the Americans, less than 10 percent chose "other interests" as the greatest source of satisfaction.

Note, however, that in the data for the American respondents, middle managers differ significantly from the supervisory and executive managers. Among the middle managers, the number deriving the greatest satisfaction from work drops to 42.6 percent. As one might expect, the executives show the strongest tendency to favor careers as the prime source of satisfaction.

Many American managers apparently feel that they must give priority to work if they desire to move up the corporate ladder. The validity of this claim is underscored by studies of the spouses of top executives. The *Wall Street Journal* reported that nearly "seven out of every ten wives believed that the pressures on their husbands at work were greater now than in the days of middle-level management. . . . Two-thirds of these wives believed that their husband has had to make significant sacrifices in his personal and family life in order to be successful."

ON RELOCATING FOR A BETTER JOB

The previous comparisons suggest that European executives would be less likely than Americans to uproot their familes and move to a new

location for a higher paying and more responsible job. Indeed, since Europeans generally report their home lives as providing greater satisfaction than their careers, it is not surprising that almost half (47 percent) reported they would say "no" if asked to relocate. Among U.S. executives, only 9.6 percent responded with a clear "no" and another 15.4 percent with "probably not." Moreover, the *International Management* survey discloses a growing resistance to relocation among European executives. Almost 70 percent indicated that they would have been willing to move "five years ago," compared with 47.4 percent indicating such willingness at the time of the survey.

A more general view of the contemporary executive's unwillingness to *always* put career above home life is seen in responses to the question "Would you turn down a promotion or a new job if you felt it would significantly change your present lifestyle?" Although the majority of U.S. executives said they would probably relocate (see Exhibit 3.3), more than one third (41.5 percent) say that they would probably turn down a career advancement opportunity if this meant significantly changing their lifestyles (see Exhibit 3.4). The clear implication is that when organizations find it necessary to relocate an executive, they would be wise to provide smooth transitions and to help the relocated executive maintain his or her present lifestyle. A significant proportion (30.3 percent) of European executives claimed they have turned down a promotion or a new job because they feared it would alter their lifestyles.

Exhibit 3.3. "To further your career, would you move your family to a new location for a higher paying and/or more responsible job?"

	Total	*United Kingdom*	*Denmark*	*Switzerland*	*France*	*Germany*	*Sweden*	*Italy*	*Belgium*	*Spain*	*Netherlands*
Yes	47.4%	56.0	28.0	49.0	51.8	53.2	38.0	55.4	48.4	50.0	43.8
No	49.1%	43.1	66.7	50.0	42.2	45.5	59.0	38.5	47.3	45.2	53.8

United States

	Total	*Supervisory*	*Middle*	*Executive*
Yes	31.1%	27.2	32.6	31.0
Probably	26.0%	26.5	26.0	25.9
Not sure	17.9%	27.2	18.1	16.3
Probably not	15.4%	10.9	14.8	16.5
No	9.6%	8.2	8.6	10.4

Exhibit 3.4. "Would you turn down a promotion or a new job if you felt it would significantly change your present lifestyle?"

	Total	*United Kingdom*	*Den-mark*	*Switzer-land*	*France*	*Ger-many*	*Sweden*	*Italy*	*Bel-gium*	*Spain*	*Nether-lands*
Yes	30.3%	15.5	26.9	30.4	38.6	28.6	39.0	32.3	24.2	31.0	36.3
No	68.8%	83.6	73.1	69.6	60.2	71.4	59.0	66.2	75.8	66.7	62.5

United States

	Total	*Supervisory*	*Middle*	*Executive*
Yes	15.9%	12.8	14.5	17.2
Probably	25.6%	26.4	25.2	25.7
Not sure	21.4%	25.7	22.8	20.1
Probably not	25.7%	23.0	26.6	25.7
No	11.3%	12.2	10.9	11.3

ON HOME VERSUS WORK CONFLICTS

A majority (61.7 percent) of European executives maintained that they would attend an important corporate function at the expense of an important family function (see Exhibit 3.5). The national differences to this question ranged from 53.8 percent for the Netherlands and Italy to 71.4 percent for France. There was general agreement among American executives with this trade-off as expressed by European executives. Most Europeans, however, expressed the belief that their trade-off today tends to be more toward the family than five years ago when the corporate function would have prevailed.

Among American managers the tendency to give priority to the job appears to increase as one moves up the corporate hierarchy. Executives are more likely to pass up an important event at home for one at the company; supervisory managers are somewhat less likely to do so. This seems to be consistent with the common belief that corporate advancement comes at the expense of personal and family life.

BRINGING PROBLEMS HOME

While equivalent percentages of American and European managers asserted that they would attend a job-related function in conflict with an important function at home, they felt somewhat differently about whether their jobs prevented them from spending time with their families (and friends). Nearly three in every five Europeans felt that their jobs were encroaching on family time (see Exhibit 3.6). This feeling

Exhibit 3.5. "Would you give up attending an important function at home if it conflicted with an important job-related function?"

	Total	*United Kingdom*	*Den-mark*	*Switzer-land*	*France*	*Ger-many*	*Sweden*	*Italy*	*Bel-gium*	*Spain*	*Nether-lands*
Yes	61.7%	63.8	60.2	60.8	67.5	71.4	57.0	53.8	68.1	60.7	53.8
No	32.9%	34.5	30.1	36.3	24.1	24.7	38.0	38.5	28.6	36.9	37.5

United States

	Total	*Supervisory*	*Middle*	*Executive*
Yes	19.6%	12.2	17.6	21.7
Probably	41.0%	43.9	41.7	40.3
Not sure	15.8%	16.2	17.6	14.8
Probably not	19.4%	20.3	18.8	19.5
No	4.3%	7.4	4.3	3.7

was strongest among the Germans, Swedes, French, and Italians. For the Germans and French, given the previous results, this may be because of their strong career orientation. For the Swedes and Italians, just the opposite may be true; that is, because of their strong family orientation they may feel that their work keeps them from their families more than they would like.

The majority of American managers felt that their jobs did *not* prevent them from being with their families. However, many respondents may be paying a price for this belief, as suggested in Exhibt 3.6; nearly 60 percent of the American managers reported that work anxieties affected their home lives. Spanish and U.K. managers were similarly inclined. However, over all, only 25 percent of the European managers felt anxiety at work spilled over into their home lives.

Also, note that more than half of the supervisory managers said that job anxiety goes home with them, whereas only about one third of the middle managers and executives acknowledged such intrusions. Responses to this question were highly correlated with the manager's age. Some 58 percent of the managers under 40 saw work as causing stress at home versus only 46 percent of those in the 41 to 50 age range. Only 38 percent of those over 50 reported such a problem. From another perspective, however, nearly 70 percent of the respondents in a 1981 nationwide survey by *Better Homes and Gardens* involving more than 26,000 women acknowledged that work pressures frequently or occasionally created a serious strain on their marriages.

Exhibit 3.6. Balancing career and personal interests.

"Do you feel that your job prevents you from spending the time with your family (or friends) that you would like?"

	Total	*United Kingdom*	*Den-mark*	*Switzer-land*	*France*	*Ger-many*	*Sweden*	*Italy*	*Bel-gium*	*Spain*	*Nether-lands*
Yes	58.6%	58.6	54.8	58.8	62.7	66.2	63.0	61.5	56.0	54.8	50.0
No	40.0%	40.5	45.2	40.2	36.1	32.5	36.0	36.9	42.9	42.9	46.3

"My job prevents me from spending the time with my family (or friends) that I would like."

	United States			
	Total	*Supervisory*	*Middle*	*Executive*
Agreed	46.6%	50.4	41.4	48.5
Disagreed	53.4%	49.6	58.6	51.5

"Does anxiety about your job frequently spill over into your home (personal) life?"

	Total	*United Kingdom*	*Den-mark*	*Switzer-land*	*France*	*Ger-many*	*Sweden*	*Italy*	*Bel-gium*	*Spain*	*Nether-lands*
Yes	35.3%	40.5	33.3	30.4	47.0	29.9	29.0	46.2	29.7	41.7	25.0
No	62.8%	58.6	65.6	68.6	50.6	67.5	71.0	50.8	70.3	54.8	70.0

"Anxiety about my job frequently spills over into my home (personal) life."

	United States			
	Total	*Supervisory*	*Middle*	*Executive*
Agreed	41.3%	55.7	39.8	39.5
Disagreed	58.7%	44.3	60.2	60.5

CONCLUSIONS

Like all responsible human beings, managers must make daily choices between their professional and personal priorities and about how to apportion their time among a variety of demands, expectations, and personal desires. European and American managers differ markedly in their efforts to strike a balance between their careers and their private lives. Neither group, however, has managed to escape the role conflicts and ambiguities inherent in this balancing act.

The most striking difference between American and European managers appears to be the stronger career orientation of the Americans. This is borne out by the Americans' greater willingness to acquiesce to the demands of corporate life—their willingness to relocate, for example, and the tendency to put job activities before home events. At the same time, the Americans report greater strains on their private lives.

The Western European executive, however, is also not without his or her conflicts in juggling corporate and personal demands. Many are accused of being less ambitious as they attempt to put a higher priority on their private lives than in the past. Others are torn between traditional notions of corporate duty and the desire to give increasing attention to family life. European executives report a growing reluctance to relocate, to work long hours, to change their lifestyles, or to spend less time with their families. As one U.K. executive commented, "Regrettably, corporate demands today encroach on a manager's personal life to a greater degree than ever before. The choice between home and work involves a difficult balance of priorities, but hopefully never a definite choice."

Many of these problems and issues are not necessarily new to the executive, the executive's family, the personnel specialist, or the academic researcher. What *is* significant, however, is (1) the *depth and breadth* of these issues and (2) the *increasing similarity* of the responses of managers from different nations. With the advent of the global community and transnational enterprise, there may be no escape from documenting, understanding, or trying to help managers "manage" their professional and private lives.

4

THE ETHICS OF AMERICAN MANAGERS: AN UPDATE

Our problem is not to find better values but to be faithful to those we profess.

–John W. Gardner
The Recovery of Confidence

What does it mean to corporations whose executives must operate within a cultural milieu that they have not completely created, do not effectively control, and cannot fully direct? By what standards should they be judged: the ethic of liberalism, the ethic of science, the ethic of religion, or the ethic of some new ideology? America is at a watershed. Inaction means disaster and precipitous reaction means the same thing.

–Clarence C. Walton
The Ethics of Corporate Conduct

The ethics of American executives usually get public attention only when some corporate scandal hits the headlines. News of a faulty product, pollution of the environment, bribery, or some other gross misuse of corporate power causes the public to ask, "What kind of people are running our companies, anyway?" In most of these instances, the issues are complex–and the managers involved can give only a partial account of how they reached their judgments and actions.

This study attempted to provide a fuller understanding of the way American managers approach ethical issues and dilemmas. Through a combination of direct questions and two case situations, we were seeking answers to these questions:

1. How ethical do managers think their organizations are?
2. Do personal principles have to be compromised for the sake of the organization?
3. Is anybody in the organization concerned about ethics?
4. Are organizational pressures to conform strong or weak–and are they getting stronger or weaker?
5. To whom do managers talk about ethical problems?
6. What influences *un*ethical behavior?
7. How do managers approach situations where an ethical issue is involved?

As we report our findings, we are keenly aware that responses to a questionnaire ("espoused values") may reflect higher ethical standards than actual decisions made under pressure for profits and personal gain. Even with this caveat, however, it is useful to know how American managers are thinking about ethics.

ETHICAL ORGANIZATIONS?

Eighty percent of all managers reported that their organizations were "guided by highly

ethical standards." Perhaps this is true, and all the attention focused today on corporate responsibility and ethics is generated by the remaining 20 percent—the old 80/20 rule. However, this perspective is not shared throughout the organization.

When we examined how managers at different hierarchical levels in the organization responded, we found several interesting differences. For example, executive-level managers almost unanimously agreed that their organizations are ethically administered. Only 7.2 percent were doubtful. It has been noted before that top executives are in the best position to influence corporate policies and standards (which may be a factor in their assessment).

However, many of us would be likely to say that our organizations are ethical because to say otherwise—and continue working there—would cast aspersions on our *own* morals. Still, middle- and supervisory-level managers were significantly less positive than executives about the ethical standards of their organizations. In fact, supervisory managers were more than twice as likely as executives to say that their organizations were *not* guided by highly ethical standards.

While it is difficult to determine which viewpoint is more accurate, we would do well to take note of the cynicism of managers below the executive ranks. Temper this, of course, with what proves to be one of the rudest shocks for many entering the executive levels: finding out just how *limited* their influence actually is at that level. The constraints are often considerably greater than imagined.

SACRIFICE PERSONAL PRINCIPLES?

We asked managers whether or not they sometimes had to compromise their personal principles to conform to organizational expectations (Exhibit 4.1). Predictably, top executives again found this unlikely. Pressures to conform or compromise were felt more strongly by middle managers, and even more strongly at the supervisory manager's level. Only 20 percent of the executives, but 26.4 percent of the middle managers and more than 41 percent of the supervisors indicated they had been pressured to compromise personal principles to meet the organization's demands. Likewise, asked whether their personal values were compatible with the values of their organizations, more than 81 percent of the executives responded affirmatively, compared with 72.6 percent of the middle managers and 64.9 percent of the supervisory managers.

The "fit" between personal and organizational values, then, seems to become better as we go up the hierarchy. So does, also, belief in the ethical standards of the organization. These findings, however, were found to be closely correlated with age. Without exception, managers over 51 felt that their personal values were compatible with the organizations', that their organizations were correspondingly guided by ethical standards, and that their personal principles were infrequently compromised by organizational expectations.

In comparison, managers between the ages of 41 and 50 reported feeling less strongly that their personal values matched organizational values. Moreover, respondents in this age group were more likely to challenge the ethics of their organizations, and larger numbers reported that they had felt pressure to compromise their personal principles. Those managers 40 years of age or younger were the least likely to believe their personal values matched the organization's or that their organizations were ethically guided. The percentage indicating that they had felt pressure to compromise personal standards was higher than for any other age group.

WHO'S CONCERNED ABOUT ETHICS?

With the media and corporate critics focusing increasingly greater attention on social responsibility and business ethics, it seemed important

Exhibit 4.1. Personal and organizational values.

Question: "I find that sometimes I must compromise my personal principles to conform to my organization's expectations."

	Strongly Disagree	*Disagree*	*Agree*	*Strongly Agree*
Supervisory Managers	15.5%	31.8%	37.1%	4.1%
Middle Managers	26.5	37.7	22.8	3.6
Executive Managers	37.8	35.1	17.2	2.8

Question: "My personal values are generally compatible with the values of my organization."

	Strongly Disagree	*Disagree*	*Agree*	*Strongly Agree*
Supervisory Managers	2.7%	12.9%	51.4%	13.5%
Middle Managers	2.1	10.4	59.6	13.0
Executive Managers	.7	8.3	57.8	24.0

to inquire about managers' perceptions of where concerns regarding ethics are located in the organization. We asked whether they agreed or not with the statement "My superiors seem to be less concerned about ethics than I am." Similar questions were asked about their view of their "peers" and "subordinates." High scores indicated greater agreement.

The mean scores reported in Exhibit 4.2 are interesting for several reasons: (1) they suggest that supervisory managers feel no other group (subordinates, peers, or supervisors) is as concerned about ethics as they are; and (2) executives are most likely to believe, relative to middle and supervisory managers, that all other groups in their organizations are as concerned about ethics as they are.

More particularly, when asked whether the ethical concern of *superiors* was less than theirs, 33.4 percent of the supervisors, 30.1 percent of

Exhibit 4.2. Who is most concerned about ethics?

Mean Scores by Organizational Level

	Supervisory Managers	*Middle Managers*	*Executive Managers*
Superiors are less concerned about ethics than I am:	3.65	3.39	2.88
Peers are less concerned about ethics than I am:	3.66	3.32	3.11
Subordinates are less concerned about ethics than I am:	3.57	3.04	3.01

the middle managers, and 23.7 percent of the executives agreed with this statement. When asked about the ethical concern of their *peers* the findings were approximately the same: 32.5 percent of the supervisors felt they were more concerned than their peers, as did 25.4 percent of the middle managers and 23.4 percent of the executives. Finally, 29.2 percent of the supervisors agreed that their *subordinates* were less concerned about ethics than they were. Almost 19 percent of the middle managers and 20.1 percent of the executives similarly agreed.

Whatever the absolute level of ethical concern in organizations, almost one third of the respondents (at every level, age, and gender) felt that others are not as concerned about ethics as they. What this finding means in terms of management of an organization is unclear. On the one hand, the 30 percent with higher ethical consciousness might be considered as a reservoir of energy to be tapped to increase the ethical posture, awareness, and responsiveness of managers and their management. On the other hand, this moral minority might be taken as representative of considerable numbers of managers who, disappointed or disenchanted with corporate policy, are responding half-heartedly to organizational efforts and demands, resulting in diminished productivity and commitment. In either case, dialogue that pinpoints the sources of disenchantment and aims at reconciling differences of opinion may be in order.

STRONG PRESSURES TO CONFORM?

Given the uncertainty about the meaning associated with the gap between personal concerns about ethics and the level of concern of others in the organization, it seemed relevant to know more about current views regarding pressures to conform to organizational standards. We found that all managers, regardless of level, believed that pressure to conform to organizational standards was strong (73.4 percent) as opposed to weak (26.6 percent). The majority felt that this relatively strong pressure was getting neither weaker nor stronger, but staying at about the same level (42.1 percent). Another 17.2 percent felt the pressure was strong now and getting even stronger, while approximately the same number (14.1 percent) felt it was strong now and getting weaker. Of those who felt the pressures to conform were relatively weak, nearly two in five believed that this was changing in the direction of getting stronger. A similar percentage felt that there were no major movements in the pressure to conform. Less than 4 percent of all the respondents felt that pressures to conform to organizational standards were weak and getting weaker. See Exhibit 4.3.

These trends were relatively equivalent when broken down according to age and educational level of the managers. However, female managers generally felt that pressures to conform were relatively stronger than did the male managers. Seventy-seven percent of the female managers (compared with less than 60 percent of the male managers) expressed this view. Moreover, more than twice as many male managers as female managers believed that these relatively strong pressures were now becoming weaker (17.1 versus 7.0 percent).

Much of this data seems to be suggesting that there is considerable interest and concern among managers at all levels in American corporations with ethical issues and the relationship between personal values and organizational values and expectations.

ETHICAL CONSULTANTS

In today's turbulent times, being able to talk with others about ethical concerns associated with the workplace often becomes critical. Whom do managers consult in these circumstances?

We presented our respondents with a list of possible people whom one might consult with when "confronted with an ethical dilemma in performing their job." The choices were: No one

Exhibit 4.3. Pressure to conform to organizational standards.

Question: "I believe that pressure to conform to organizational standards is . . ."

	Supervisory Managers	*Middle Managers*	*Executive Managers*
(A) Relatively weak and	(28.4)%	(26.2)%	(26.1)%
staying the same	15.5	11.2	11.9
becoming weaker	3.4	3.3	3.9
becoming stronger	9.5	11.7	10.3
(B) Relatively strong and	(71.7)	(73.7)	(74.0)
staying the same	45.3	42.1	42.1
becoming weaker	9.5	12.7	15.3
becoming stronger	16.9	18.9	16.6

	Male Managers	*Female Managers*
(A) Relatively weak and	(40.3)%	(22.6)%
staying the same	20.9	7.0
becoming weaker	.8	4.7
becoming stronger	18.6	10.9
(B) Relatively strong and	(59.7)	(77.4)
staying the same	21.7	48.4
becoming weaker	17.1	7.0
becoming stronger	20.9	21.9

(I work it out myself), spouse, legal staff, friend at work, friend outside the organization, my boss (superior), a clergyman (minister, priest, rabbi), colleagues (other people at my level), and other (please explain). We asked for both their first and second choices. See Exhibit 4.4.

The responses indicate that, when faced with an ethical dilemma, managers typically consult with their boss (25.3 percent). This is especially true for supervisory- and middle-level managers, and less true for executives. (Of course, the latter are perhaps likely to feel that they *are* "the boss" and less likely to feel that there is another "boss" for them to consult with). A second important source of guidance turned out to be the manager's spouse (23.8 percent). In fact, this was the first choice of executives. Another significant top choice of managers is the advice and counsel of colleagues (19.3 percent).

It seems interesting that "colleagues" were reported to be an important source of counsel, whereas "friend," either at work or outside the organization, was substantially less often selected as the source of advice. Perhaps we can't expect the same objectivity from our friends as

Exhibit 4.4. Finding someone to talk to about an ethical problem.

Question: "When you are confronted with an ethical dilemma in performing your job, whom do you usually consult?"

	Supervisory Managers	*Middle Managers*	*Executive Managers*
Boss (superior)	30.0%	28.8%	22.9%
Spouse	21.2	23.2	24.5
Colleagues (other people at my level)	19.4	18.4	19.7
No one (work it out myself)	3.7	8.3	12.2
Friend (at work)	10.1	9.7	6.1
Friend (outside work)	12.0	5.3	5.5
Legal staff	2.8	5.0	8.1
Clergyman	.9	1.2	1.1

Note: Respondents were asked to rank order the two most important. The percentages shown reflect adding together the first and second choices.

we do from our colleagues. Or, perhaps we feel that our friends, even at work, are not familiar enough with our dilemmas to offer realistic advice. Then again, we may be less likely to reveal to our friends the ethical dilemmas we face for fear of embarrassment.

"Working it out by myself" was selected more often by top executives than by middle and supervisory level managers. This may reflect executives' feelings that they do not have a boss to talk things over with, or their general feeling that tough choices are part of their job. Middle managers, and particularly supervisory managers, were less likely to select this alternative. A similar pattern of responses was evident for managers by hierarchial level in their consultations with the legal staff.

Of course, it might be argued that the nature of the ethical dilemmas associated with performing a particular job varies dramatically at different levels. But it is probably more true to say that these dilemmas vary by degree but not by kind. After all, the issues of honesty and dealing fairly with people, or the trade-offs between loyalty to the organization and responsibility to the general public, or the dilemma of representing the interests of subordinates when they conflict with the desires of superiors, are as real at the supervisory level as they are in the executive suite.

WHAT INFLUENCES UNETHICAL BEHAVIOR?

We have seen that managers look to their bosses and to their colleagues as important sources of guidance when it comes to thinking about ethical dilemmas in performing their jobs. It was surprising, then, to find out that the "behavior of superiors" and "behavior of one's peers in the organization" were felt to contribute the most to "unethical behavior or actions by managers." These choices were ranked first and second, respectively, by the majority of respondents from all levels, regardless of age, education, or gender. See Exhibit 4.5.

Exhibit 4.5. What influences unethical behavior?

Question: "Listed below are factors that many believe influence unethical behavior. Rank them in order of their influence or contribution to unethical behaviors or actions by managers."

	AMA (1982)	*HBR (1976)*	*HBR (1961)*
Behavior of superiors	2.17	2.15	1.9
Behavior of one's peers in the organization	3.30	3.37	3.1
The ethical practices of one's industry or profession	3.57	3.34	2.6
Society's moral climate	3.79	4.22	–
Personal financial need	3.84	4.46	4.1
Formal organizational policy (or lack thereof)	4.09	3.27	3.3

Note: The ranking is calculated on a scale of 1 (most influential) to 6 (least influential). "Society's moral climate" was not asked in the 1961 study. Sample sizes equal 1,443 (*AMA*), 1,227 (*HBR*, 1976), and 1,531 (*HBR*, 1961).

More than 20 years ago, Raymond Baumhart surveyed over 1,500 *Harvard Business Review* readers about the factors that influenced an executive to make unethical decisions. He also found "the behavior of a man's superiors in the company" to be cited as the primary influence. This finding was replicated a few years ago in another survey of *HBR* readers by Steve Brenner and Earl Mollander: "The behavior of one's superiors is the primary guidepost for unethical behavior."

The behavior of one's peers was ranked second in importance. The ethical practices of one's industry or profession was ranked third, and society's moral climate ranked fourth. In other words, when faced with ethical dilemmas we refer first to our immediate personal network (boss and peers) for guidance and then judge this response in relation to our immediately relevant professional environment and larger outside (societal) moral climate. "Personal financial need" is ranked as relatively uninfluential, a finding corroborated by the earlier studies.

"Formal organizational policy (or lack thereof)" was ranked as least influential in this survey. In Baumhart's study (1961) it was ranked fourth (out of five), but in the Brenner and Mollander report (1976 *HBR* survey) it was ranked second (out of six). This pattern suggests that some confusion now exists about the role formal company policies play in promoting ethical (or unethical) behavior. Perhaps this also accounts for the mixed feelings among many managers regarding codes of ethics for business. For example, Brenner and Mollander reported that nearly one out of every four executives favor no ethical code for their industry. Of those who favor a code, only 17 percent preferred one delineating specific practice. These authors felt that while "the mere existence of a code, specific or general, can raise the ethical level of

business because it clarifies what is meant by ethical conduct . . . a code is limited in its ability to change human conduct." The net impact of corporate codes of ethics is still open to debate.

The boss serves as an important focal point for what respondents consider ethical and unethical, both in terms of their behavior and as a source of counsel and guidance. As an interesting tangent, observe the responses to the question, "Would you resign if your boss insisted that you carry out some action that you strongly felt was unethical?" As Exhibit 4.6 indicates, the vast majority would say "yes" or "probably." However, nearly 25 percent of the middle managers and more than one third of the supervisory-level managers report they are "not sure" whether they would resign or say "probably not/no." This was also true for managers under 50 years of age. These findings intimate that younger managers and managers at middle and supervisory levels feel vulnerable and susceptible to the influences of their superior, even when they feel the requested action is definitely unethical.

HANDLING UNETHICAL BEHAVIOR?

How do managers handle unethical behavior? What factors are considered in making judgments? These are interesting and important questions—but finding objective data that would provide answers is exceedingly difficult. Few (if any) people are willing to divulge to researchers information that might prove incriminating to themselves or to their friends. Several prior studies indicate, as well, that managers believe that they themselves are far more ethical than their business colleagues.

One method for investigating this issue has been to pose hypothetical situations. Survey participants are then asked to react to these situations, either by writing out a response or by selecting from a list of choices. Frequently, directions call for both opinions and likely courses of action. The two previously mentioned *Harvard Business Review* surveys compared what respondents felt *they would do* with what *they expected the average executive would do.* The differences were quite striking, as shown in Exhibit 4.7. Respondents seemed to feel capable of handling their eithical dilemmas well but were not so confident about their peers' capabilities and reactions.

We presented respondents with two scenarios from previous studies (again, see Exhibit 4.7). One involved an employee who was padding his expense account and the other posed a situation in which an executive has opportunity to hire a

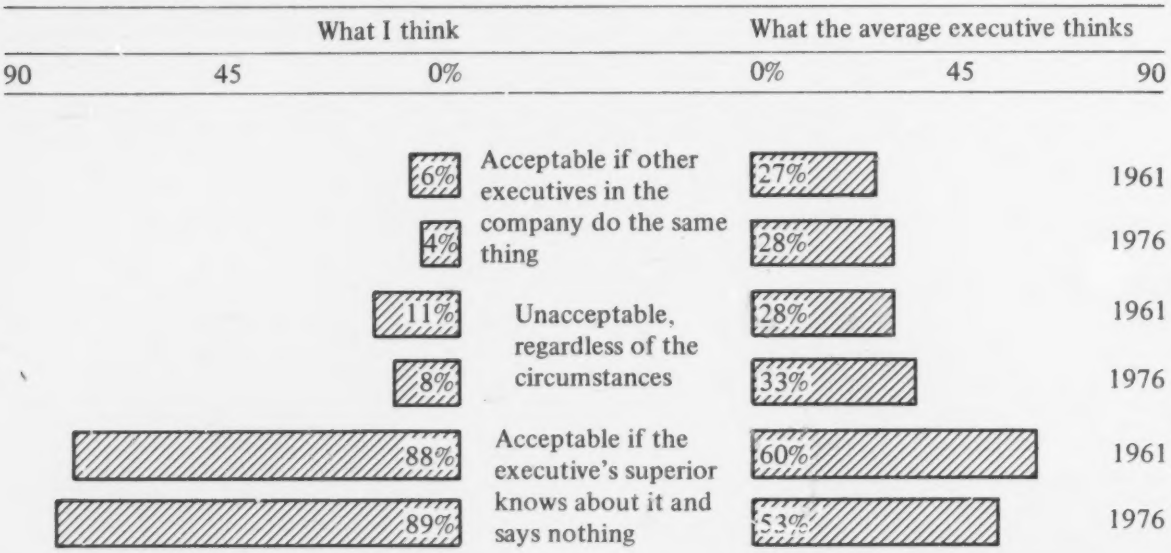
Exhibit 4.6. Personal integrity versus job security.

Question: "Would you resign if your boss insisted that you carry out some action you strongly felt was unethical?"

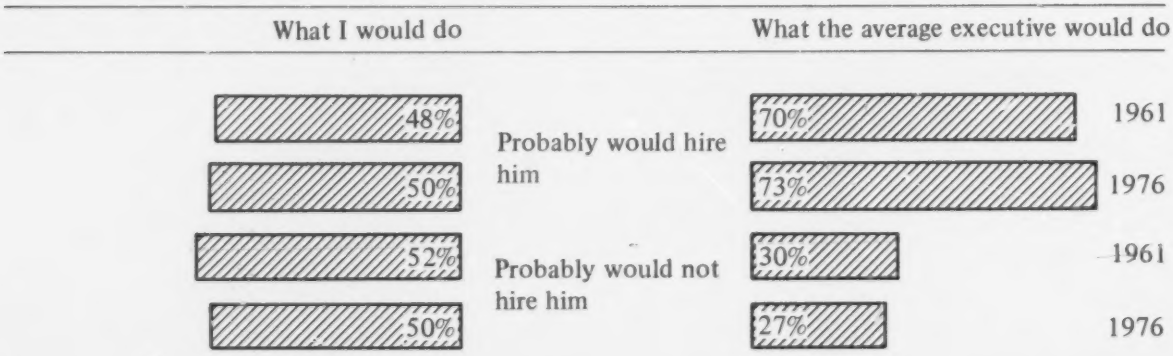
	Supervisory Managers	*Middle Managers*	*Executive Managers*
Yes	29.7%	44.3%	54.5%
Probably	35.2	30.2	30.4
Not Sure	19.6	17.4	9.5
Probably Not	10.1	5.5	4.4
No	5.4	2.6	1.2

Exhibit 4.7. Two case studies.

Case 1 An executive earning $30,000 a year has been padding his expense account by about $1,500 a year.



Case 2 Imagine that you are the president of a company in a highly competitive industry. You learn that a competitor has made an important scientific discovery which will give him an advantage that will substantially reduce, but not eliminate, the profits of your company for about a year. If there were some hope of hiring one of the competitor's employees who knew the details of the discovery, would you try to hire him?



Source: Steve Brenner and Earl Mollander. "Is the ethics of business changing?" *Harvard Business Review*, January-February 1977, p. 64. Copyright 1977 by the President and fellows of Harvard College. All rights reserved.

competitor's employee in order to obtain a technological secret. Rather than asking *what* they would do, we asked respondents to indicate: "In deciding how to deal with this situation, what two or three factors would you consider?" Terry Cooper writes in *The Responsible Administrator:*

> In addressing any ethical issue we want to move from a situation which confronts

us with a quandary to a course of action which will resolve it. This movement involves both *description* and *prescription.* That is, we describe to ourselves, and sometimes to others, an objective state of affairs, and then attempt to prescribe what specific steps should be taken to change the situation. Between these two steps the kind of reflection involved in the levels of moral rules and ethical analysis is undertaken. It is far more important for developing administrative responsibility that individuals comprehend these steps for themselves and develop the required skills than it is simply to read someone else's prescription.

In asking managers to indicate what factors they would consider in making a decision, we hoped to move beyond "someone else's prescription" and understand more fully some of the issues involved in handling "dynamic" ethical dilemmas.

PADDING EXPENSE ACCOUNT

The results shown in Exhibit 4.8 are interesting on several levels. Much effort, it appears, would be expended in trying to determine whether or not the situation, as described, was accurate or not. Managers would more likely conduct an independent investigation which, in many instances, would not include confronting the individual involved until after all the facts were in. By far the most frequent response, at all levels, would be to ask questions (take action) aimed at understanding why the employee had padded his or her expense account in the first place. For example, does the person have personal/family problems or financial difficulties or are there some other extenuating circumstance. Perhaps those who wondered how long this had been going on (for example, "Is it the first offense?") were also trying to uncover something about the employee's motivation. In these responses there is some implication that the action could be understandable, explainable, and hence accepted or tolerated under certain circumstances.

Another frequent set of responses revolved around the employee's past performance and length of time associated with the company. Included with this were questions about the employee's general trustworthiness, especially in the future (for example, "Is there a chance he or she will do it again?"). Many responses like these were coupled with comments about the clarity

Exhibit 4.8. How managers approach ethical decisions (Case study 1).

	Supervisory Managers	*Middle Managers*	*Executive Managers*	*Total*
Questions about that particular employee	50	150	291	491
Overall value of action to company	48	147	255	450
Legal considerations	23	93	237	353
Alternative opportunities	29	79	156	264
Would consider ethic involved	20	68	151	239
Possible negative consequences to company	17	56	101	174
Would not hire employee	16	36	118	170
Industry norms and practices	8	36	71	115
Cost factor to hire	11	31	50	92
How recruitment process occurred	3	17	35	55
Other	5	15	25	45

of the organization's policies and procedures. Questions about climate included both organizational issues ("What are the processes available in the organization to deal with such matters? Is this accepted company practice?") and interpersonal issues ("What is the example I and others set? Was the supervision adequate?"). The tenor of these concerns seemed to focus on the organization, more than on the employee involved, as the "cause" of the problem.

Some managers also wanted to know something about the value or importance of the employee to the organization. These responses seemed particularly calculative: "We would tolerate certain [unethical] behaviors of our high performers more than we would of our marginal or average performers." This perspective suggests that there is some doubt or uncertainty about whether or not the behavior was, in the first place, unethical.

Another category of responses concerned the impact or effect of any action or decision on either the employee and/or others in the organization. The latter concern centered on the symbolic nature of any managerial action (for example, "What will my action say or signal to others about what they should do or not do?") Finally, many managers seemingly passed over the response requested and went directly to the action step. Certainly this tendency is consistent with managerial studies that underscore the "take-action orientation" of managers. These same studies also note the unfortunate consequences of such an orientation, including superficiality and incrementalism. Nearly 10 percent simply responded with a specific disciplinary action. Almost one in three managers formed their response in terms like: "Here's what I would do: (1) I would call the legal or auditing department. (2) I would . . . (3) . . . and so on."

HIRING COMPETITOR'S KEY EMPLOYEE (SECRETS)

The second case involved whether to hire a competitor's employee in order to acquire a technological secret (Exhibit 4.9). To begin with, many respondents raised questions about what ethical issue or principle, if any, was involved. For others, the principles were immediately clear-cut, and they responded immediately (the "take-action orientation" again) that they would either hire or not hire the

Exhibit 4.9. How managers approach ethical decisions (Case study 2).

	Supervisory Managers	*Middle Managers*	*Executive Managers*	*Total*
Determine employee's reason for behavior	60	187	421	668
What really happened?	43	136	251	430
Employee's past behavior and seniority	32	114	243	389
Organizational climate (policies and procedures)	39	114	172	325
Obtain employee's version and explanation	26	67	144	237
Specific action or strategy	19	67	141	227
Employee's value to the organization	20	53	119	192
Effect of decision on others/organization	14	43	99	156
How long has this behavior been going on?	16	48	85	149
Terminate employee	12	31	93	136
Effect of decision on employee	18	126	47	91
Other	6	22	45	73

employee. A substantial number simply replied *"I wouldn't do it."*

For those who would consider the possibility, these questions were typical: (1) "Just how valuable is this discovery (and subsequent profits) to my organization?" or (2) "Can we develop in-house or compete without this discovery?" or (3) "Can I do this even if I want to?" ("What are the legal issues?" "Is the employee under contract?" "Has the employee signed secrecy or disclosure statements?") These first two questions appear to be largely utilitarian, or cost-benefit analysis decisions. Several managers, in this regard, questioned whether the firm could afford to hire the employee. Whether the proposed action would be legal or not is also a utilitarian concern, largely devoid of ethical implication.

The most frequent responses of managers centered on the personality and nature of the particular employee involved and his or her motivations ("What kind of person was this?" "Is he or she trustworthy?"). Many seemed to suggest that the ethicality of their decision reflected the ethicality of the employee. If the employee was simply interested in leaving his or her current employer for a better position, then concern about the ethical issue of possibly obtaining the competitor's secrets seemed remote. Ethics were more substantially involved at the other extreme, that is, when it appeared that the employee was seeking better employment (and was being considered for such) *because* of the technological secrets he or she carried. This was expressed several times in comments on how the employee was recruited ("Who took the initiative?"). However, some managers wondered about this employee's concept of loyalty and whether they would be the "victim" in the future.

Since an organization was involved in this situation, managers suggested that industry norms and practices would influence their decision. The implication seemed to be that they would follow prevailing practices ("Is this commonplace in the industry?" "Is the competition doing this to us?").

Managers also expressed concerns about the possible negative consequences to the organization if they hired the employee. Much of this revolved around the reputation and image of the organization in the industry and community. Some were concerned about the precedents this might set, and others worried about how this would affect their own employees' feelings about the organization. The tenor of these responses leaned against hiring the employee.

MANAGERS AND ETHICS: SUMMARY UPDATE

What have we learned about managers and ethics? The topic is complex and the data not always consistent; it is difficult to study objectively, and more issues seem to be raised as the result of any single one examined. We can, however, provide some tentative answers to our original questions. See the box on page 41. And the study of managers and their ethics goes on—as well it should. Although the results, at whatever time they are formulated, may seem as tentative and elusive as trying to capture a river in a bucket, the subject is so significant that it warrants continual monitoring.

How ethical are today's organizations?	Managers feel their organizations are guided for the most part by ethical standards.
Do personal principles have to be compromised for the organization?	Sometimes. And more likely for those at lower levels in the organization. Responses mirror congruence of personal values with organizational values.
Is anybody in the organization concerned about ethics?	Yes, but almost one third feel that their business associates are not as concerned as they are.
Are pressures to conform today strong or weak? Getting stronger or weaker?	Pressures to conform are generally strong and most managers believe they will not be diminishing.
Who do managers talk with about ethical dilemmas?	Important sources of guidance are the boss, one's spouse, and colleagues (not necessarily friends) at work.
What influences *un*ethical behavior?	The primary guidepost is the boss's behavior. Also important is the behavior of one's peers. Financial need seems a relatively unimportant factor.
How do managers handle "potentially" unethical behavior?	There are a variety of patterns but much effort goes into determining whether "ethics" is even involved. Obtaining and verifying the facts is paramount. Norms influence options. Some managers appear to be rational problem-solvers. Some live and die by their principles.

5

WHERE MANAGERS EXPECT TO FIND PERSONAL FULFILLMENT: THE *ULTIMATE* "BOTTOM LINE"*

Success is a journey, not a destination.

—Ben Sweetland

If one advances confidently in the direction of his dreams, and endeavors to live the life he has imagined, he will meet with a success unexpected in common hours.

—Henry David Thoreau

As responsible individuals, we are concerned about more than our immediate personal and organizational success—we are interested in a personal sense of accomplishment and fulfillment. Much of our life philosophy embodies the values and strategies we believe will give us that sense of fulfillment. The final item on our questionnaire to the executives and managers attempted to get at this important information. It was an incomplete sentence that began:

"I believe that my personal sense of accomplishment and fulfillment will depend on how well I . . ."

Even though this was the last item on a very long questionnaire, 90 percent of the managers responded. The resulting statements provide important insights into what energizes the men and women who are giving leadership to our business organizations.

The first striking thing about the results is the heavy emphasis on *action*. A full 40 percent of the managers believed that their fulfillment depends on *their ability to make some contribution*. The contribution for some was stated in terms of achieving a specific goal (13 percent); for others it was stated in terms of simply performing well (10 percent). Fewer than 5 percent

*Note: We are indebted to Professor Alain Rondeau, of the University of Montreal École des Hautes Études Commerciales, for his careful and thorough analysis of the very complex data reported in this chapter.

said that fulfillment depended on their ability to manage well (that is, give leadership, participate in planning, make decisions). The overall impression is that a high percentage of American managers depend for their sense of fulfillment on *observable results* rather than on personal feelings of satisfaction. Some typical responses from this group are the following:

The Producers (40 percent)

"I believe that my personal sense of accomplishment and fulfillment will depend on well I

. . . perform–contribute–produce"

. . . perform and contribute to my company and my church, and how well I serve as a model to my family"

. . . utilize all my skills"

. . . run my company and treat my family."

A much smaller group (17 percent) of managers felt that their sense of fulfillment depends on how well they *maintain and develop a good self-image.* For these managers it was important to develop themselves (4.8 percent); to feel good about themselves (4.5 percent); to clarify their values and goals (4.1 percent); or to find the right balance between their personal and professional roles (3.7 percent). Unlike the first and larger group (the 40 percent), this group of managers finds fulfillment based on *their personal evaluation of themselves,* apart from any particular objective accomplishments. The impression given is that for this 17 percent of the managerial group, their self-image is more dependent on their personal identity and development rather than on their organizational identity. Typical answers from this group:

The Self-Satisfiers (17 percent)

"I believe that my personal sense of accomplishment and fulfillment will depend on how well I

. . . know and accept my personal strengths and weaknesses"

. . . stay in touch with my feelings"

. . . keep up to date in my field and keep an open mind"

. . . relate my personal goals to those of the organization."

Another significant group (15.4 percent) of the managers base their sense of fulfillment on their ability to establish and maintain *good relations with others.* Most of these (6.9 percent) wrote in general terms (How well I relate to others); 3.6 percent wrote about their ability to influence others; and 3.3 percent depend on their ability to help people to gain a sense of fulfillment. Only 1.6 percent said they would depend on how they are perceived by others. Typical responses from this group of "human relations"-oriented group were:

The Relaters (15.4 percent)

"I believe that my personal sense of accomplishment and fulfillment will depend on how well I

. . . conduct myself in all my relationships"

. . . communicate and sell my ideas"

. . . influence progeny to accomplish"

. . . try to understand my fellow man and the ability I have in influencing him to do the same for me and others"

. . . am recognized for accomplishments in the business."

A final significant cluster of managers (13.8 percent) stated that their sense of accomplishment and fulfillment depends on their ability to *maintain high personal standards.* For some this meant primarily high ethical standards (6 percent); for others it meant the ability to maintain personal discipline, commitment, and control (5.8 percent). A smaller group (2 percent) felt that fulfillment depends to the greatest extent on their ability to maintain optimism and a positive attitude toward events. Some typical responses in this "high personal standards" group:

The Reachers (13.8 percent)

"I believe that my personal sense of accomplishment and fulfillment will depend on how well I

. . . stand by my convictions"

. . . maintain integrity and self-respect"

. . . manage the gifts I've received from God"

. . . assimilate all the elements of life: its challenges as well as its pitfalls."

A surprisingly small (only 7.4 percent) group of managers cited their ability to *adapt to their environment* as the basis for feeling fulfilled. Some of these mentioned specifically the ability to adjust to change (6 percent) and some stressed their ability to handle difficulties (1 percent). Some typical responses:

The Adapters (7.4 percent)

"I believe that my personal sense of accomplishment and fulfillment will depend on how well I

. . . can maintain a flexibility in recognizing and making changes as circumstances dictate"

. . . survive the next two or three years"

. . . reconcile current job frustrations—definite flight or fight response; have to decide what to do."

The smallest clustering (5.1 percent) was around health and providing for personal and family security and well-being:

The Survivors (5.1 percent)

"I believe that my personal sense of accomplishment and fulfillment will depend on how well I

. . . control my health"

. . . maintain my health in the next few years (I've had four heart attacks in nine years)."

ON THE WAY TO FULFILLMENT . . .

More than 12 percent of the respondents began their response with words like "continue," "keep on," and "maintain"—indicating that they feel they are already on the right track toward personal fulfillment. This is consistent with the responses to an earlier question "Do you feel you will ever fulfill your life's ambition?"—to which 65 percent said "yes" and 23 percent said "already have."

The general impression that emerges from these "fulfillment" responses is that most managers have a good sense of what is important to them personally—and that they are acting responsibly to achieve it. Taken as a group, they are highly action-oriented and confident.

6

EPILOGUE

As we pored over hundreds of questionnaires and reams of computer printouts, we tried to keep our perspective by asking questions like: What findings support things we have always suspected and what findings surprise us? How might we explain our unexpected results? Most important, what is really significant in what these managers are telling us about themselves?

Out of the masses of words and figures, a number of clear impressions converge:

- The remarkable similarity in the values held by managers, regardless of age, organizational level, gender, or nationality.
- The high value placed on *integrity* and *competence* in subordinates, peers, and superiors alike.
- The large number of widely held myths about managers that are simply not true. (These were noted at the end of our first survey.)
- The health and power that results when the individual and the organization are committed to the same values—and the high cost exacted by stress and loss of dedication when this is not the case.
- The way optimism about the future is so directly related to the individual's locus of control—with managers being most optimistic about their personal futures, then about their organizations' futures, and growing more uncertain and pessimistic about broader economic, social, and political trends.
- The unexpected finding that women managers are more likely to look to their careers for personal satisfaction than are their male colleagues—and that they bring a greater commitment to their jobs and organizations.
- The important impact of the supervisor's behavior on the subordinates's ethical judgments.
- The way in which the "Me Generation" has affected today's managers—causing them to be more assertive than their counterparts in the 1960's, listing, for example, "myself" as an important person, or the most important organizational stakeholder.
- The strong yearning of most managers for a return to basic values emphasizing individual initiative—and the contrasting desire of a substantial minority for the development of a new value system emphasizing cooperation.
- The strong action orientation of American managers—and their shared belief that personal fulfillment depends primarily on their own abilities to contribute.

But primarily, beyond these impressions, we left our analysis with deeper respect for the men and women who carry their complex and often stressful managerial responsibilities with a remarkable degree of optimism, thoughtfulness, and competence.

APPENDIX

Our study began with a mailing of 6,000 questionnaires to a stratified sample of AMA members: 2,400 to top executives, 2,400 to middle managers, and 1,200 to supervisory managers. By the cut-off date we had received 1,498 responses. This response rate of 25 percent is considered to be more than acceptable by traditional research standards and is consistent with response rates for other AMA surveys.

In the total sample, 889 respondents (59 percent) were executive managers, 423 (28 percent) middle managers, and 148 (10 percent) supervisory managers. The remaining 37 respondents were nonmanagerial professionals and were excluded from the analyses in this report. The average age of all respondents was 44.6 years. Supervisory managers averaged 40, middle managers 42, and executives 46.5. Over all, almost 40 percent of the sample were 40 years or under, 33 percent were 41-50, and 27 percent were 51 years or older. (Complete demographic information about the respondents is shown in Exhibit A.1.)

The educational characteristics of the sample were as follows: 84 percent were college graduates, 13 percent completed some college, and 3 percent were high school graduates. Of the college graduates, 33 percent held a graduate degree and 24 percent completed some graduate work.

Respondents' salary levels predictably increased with their position in the organizational hierarchy, their level of education, the size of their company, and their age. Approximately one-third of the sample earned up to $40,000, and another third were in the $40,000 to $60,000 bracket. Just under 15 percent earned between $60,000 and $80,000, and about 17 percent earned more than $80,000 per year. The average salary of all respondents was $53,817.

Our respondents also gave us information about their company's size and geographical location, its product or service, and their functional field: personnel, marketing, R&D, and so on. Fourteen percent were employed in organizations with 100 or fewer employees, 20.8 percent in organizations of 100 to 499 employees, 26.6 percent in organizations of 500 to 2,499 employees, 10.7 percent in organizations of 2,500 to 4,999 employees, 81 percent in organizations of 5,000 to 9,999 employees, and 19.4 percent in organizations with more than 10,000 employees.

Almost 57 percent of the respondents' organizations were located in urban settings, while 43 percent were in the suburbs. Thirty-eight percent were from the Northeast, 31.3 percent from the Midwest, 16.3 percent from the Southwest, 10.9 percent from the Southeast, and 2.5 percent from the Northwest.

As Exhibit A.1 indicates, almost 75 percent of our respondents were employed in the following four kinds of organizations: industrial manufacturing, consumer manufacturing, services (for example, healthcare, education, consulting, religion), and finance/real estate/insurance. In

Exhibit A-1. Demographics of survey respondents (percentages).

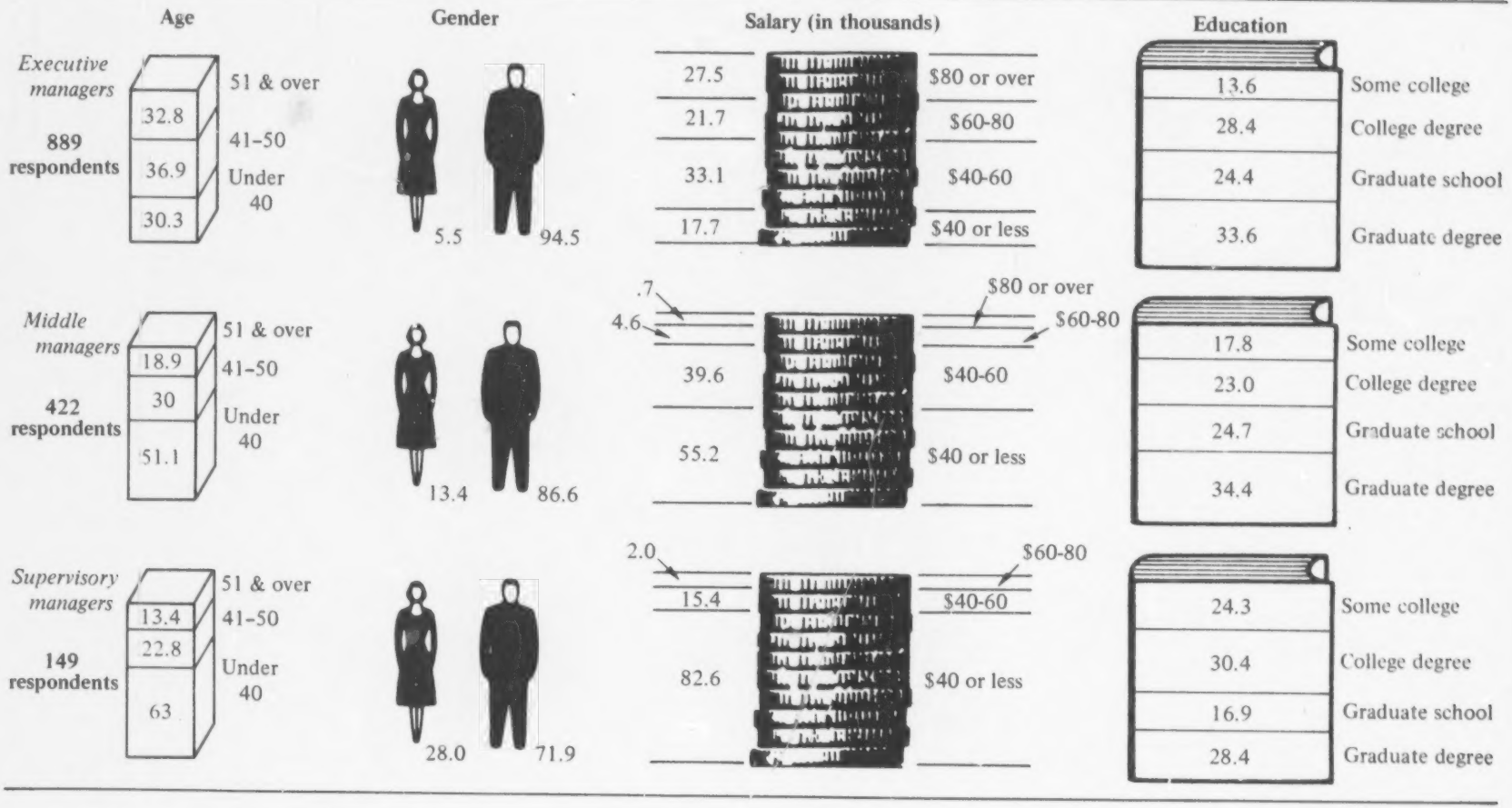


Exhibit A.1 continued

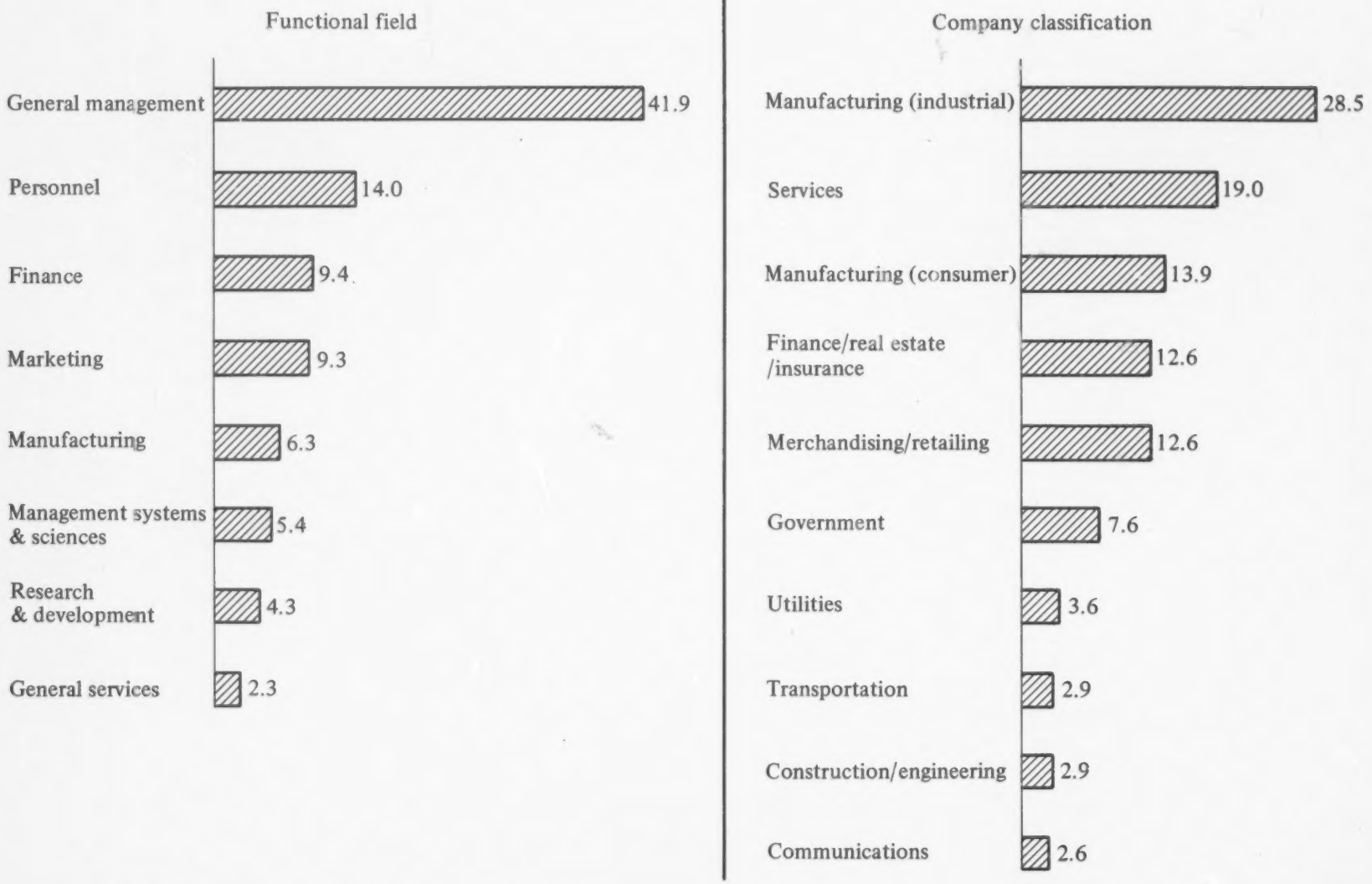
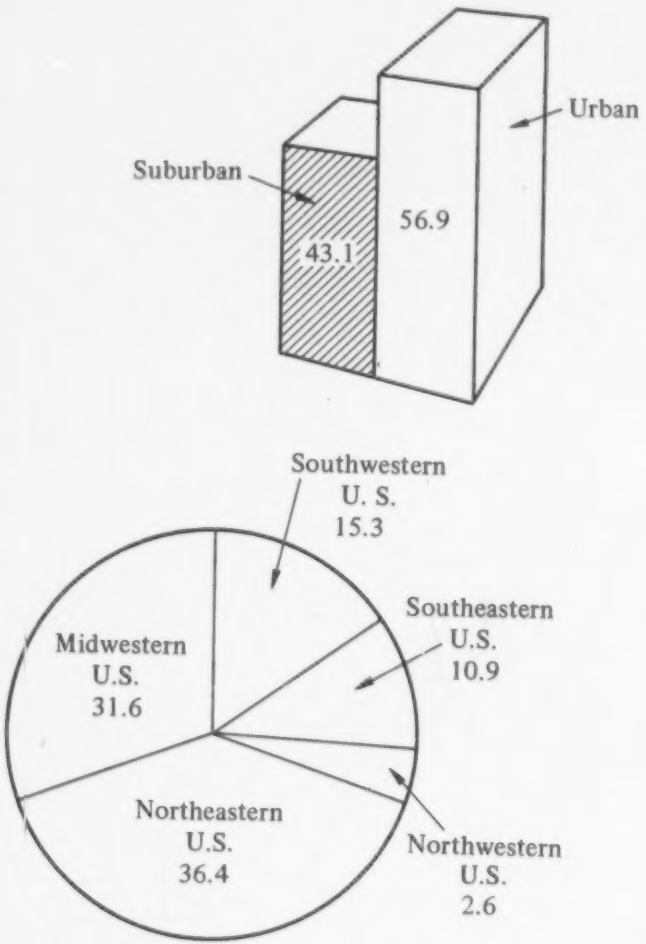
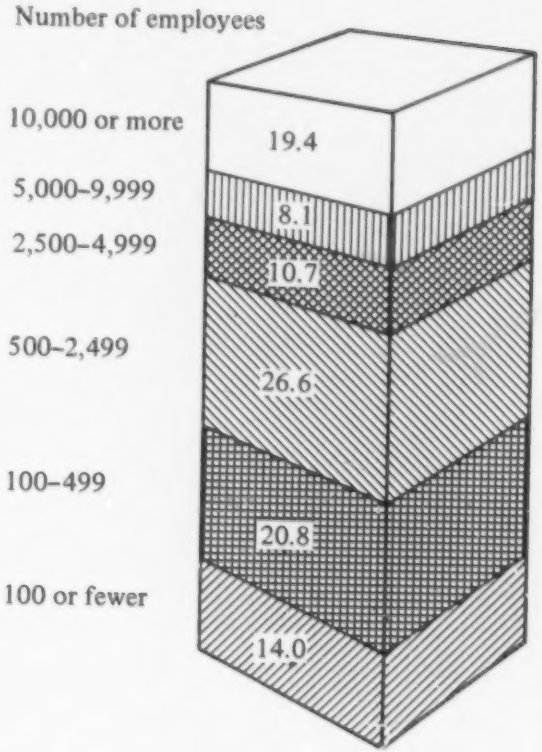


Exhibit A.1 continued

Geographic location



Company size



terms of functional field, about 2 in 5 (41.9 percent) were employed in general management, 14 percent in personnel, 9 percent in finance, and 9 percent in marketing.

Our respondents were predominantly male. Eighty-seven percent were men (N=1,304) and 10.4 percent were women (N=156). This difference is basically consistent with the gender differentiation found in professional managerial ranks in general.

MALE AND FEMALE: COMPARING EQUALS

Problem: If female managers' values differ from male managers' values in any substantial way, a ratio as sharply skewed as this might not show it. In other words, since the ratio is about 8 to 1 in favor of the men, the women's values (if they are in fact different) are "swallowed up" by the men's values. For example, in a given management cross-section of our sample, the average woman was likely to be younger, have less management experience, a lower salary, and a slightly higher level of education than the average man—all of which increase the likelihood that her values will differ from his.

To get a truer picture of how the females in our sample compared with the males, we attempted to *match* each of the female respondents in the sample with an equivalent male. In this way we could, for example, compare feelings about the economy between a female 35-year-old vice-president making $50,000 and her male counterpart.

We were able to match 130 males and females *exactly* in terms of organizational position (level), age, educational level, and salary; and with *no statistically significant differences* in the areas of company size, geographic location, and years of business experience. *All male-female analyses reported in this study are based on this matched sample.*

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